

Service Date: July 18, 1995

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER Of The Application)	UTILITY DIVISION
Of The Town of Moore To Increase)	DOCKET NO. 95.5.23
Rates And Charges For Water Service)	ORDER NO. 5857
In Its Moore, Montana Service Area.)	

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FINAL ORDER GRANTING WATER RATE INCREASE APPLICATION

APPEARANCES

FOR THE APPLICANT:

Gary Greenwood, Mayor, Town of Moore, P.O. box 98, Moore,
Montana 59464.

FOR THE COMMISSION:

Martin Jacobson, Staff Attorney, 1701 Prospect Avenue, P.O.
Box 202601,
Helena, Montana 59620-2601.

G. Joel Tierney, Utilities Engineer, 1701 Prospect Avenue,
P.O. Box 202601,
Helena, Montana 59620-2601.

BEFORE:

Danny Oberg, Commissioner and Hearings Examiner.

BACKGROUND

1. On May 16, 1995, the Town of Moore (Applicant or Town) filed an Application with the Public Service Commission (PSC) requesting authority to increase rates for water service to its customers. The Town requests an average increase of approximately 45 percent, an increase of approximately \$9868 in

annual revenues.

2. As part of its Application, the Town submitted a copy of Resolution No. 5-11-95 passed by an affirmative vote of the Town Council on May 11, 1995. Resolution No. 5-11-95 stated that the rates and charges in effect at the present time are not adequate to provide revenues with to meet debt service to the Farmers Home Administration (FmHA), repair and improvement of said facilities, and defray increased costs of operation of said facilities.

3. On May 24, 1995, the PSC issued a Notice of Opportunity for Public Hearing. On June 28, 1995, a hearing was held in Moore. The purpose of the public hearing was to consider the merits of the Applicant's proposed water rate adjustment.

FINDINGS OF FACT AND FURTHER DISCUSSION

4. At the hearing the Town presented its case via Mayor Gary Greenwood. He testified that the Town needed additional income to meet FmHA loan requirements. The mayor stated that the Town installed a new water system in 1993, and original estimates prepared for that water system were not enough to include money for the FmHA debt service.

5. During the public hearing, five members of the public presented testimony. All stated that the water looks and tastes bad and think that something should be done to correct the problem.

REVENUE NEED

6. The estimated cost of operating the water system is escalating while annual revenues are decreasing. Projections show that the proposed water rate increase will generate approximately \$10,000 in additional revenues.

7. The PSC finds that the increase of 45 percent is just and reasonable, and is necessary to recover increased operation and maintenance, and to meet debt service obligations.

8. The PSC encourages the Town to try and address the concerns about the water quality and to work with the customers to solve these problems.

RATE DESIGN

9. The Town's proposed rate design was only challenged by one person, suggesting that the Town's rate structure should be on a flat rate basis rather than metered. However, the PSC finds that the Applicant has attempted to equitably distribute the cost of providing service and accepts the Town's proposed rate design.

CONCLUSIONS OF LAW

1. The Town of Moore, is a public utility as defined in '69-3-101, MCA. The Montana Public Service Commission properly exercises jurisdiction over the Town's rates. See, Title 69, Chapter 7, MCA.

2. Public notice, an opportunity to be heard, and hearing have been provided and properly conducted, as required by '69-3-

303, MCA, and Title 2, Chapter 4, MCA.

3. The revenues approved in this Order are just and reasonable. See, §§69-3-201 and 69-3-330, MCA.

ORDER

IT IS HEREBY ORDERED THAT:

1. The rates as filed by the City with its Application are authorized.

2. The rates shall be effective for service rendered on and after July 17, 1995.

DONE IN OPEN SESSION at Helena, Montana on this 17th day of July, 1995, by a 5-0 vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

NANCY McCAFFREE, Chair

DAVE FISHER, Vice Chair

BOB ANDERSON, Commissioner

DANNY OBERG, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See, 38.2.4806, ARM.